

Melstar Information Technologies Limited

November 15, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	3.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated October 26, 2023, placed the rating(s) of Melstar Information Technologies Limited (MITL) under the 'issuer non-cooperating' category as MITL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. MITL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated September 10, 2024, September 20, 2024 and September 30, 2024 among others.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [October 26, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)
[Policy on Default Recognition](#)

About the company

Incorporated in the year 1986, Melstar Information Technologies Limited (MITL), is an ISO 9001:2008, ISO 14001:2004, ISO 27001:2013 and SEI-CMM Level III certified software service company providing IT solutions and skilled manpower catering to Banking, Insurance, IT and Government sectors. Headquartered out of its Mumbai office, MITL also operates branch offices in Bangalore, Chennai, Hyderabad, Gurgaon and Kolkata. The company caters to a reputed clientele.

Brief Financials (₹ crore)	March 31, 2021 (A)*	March 31, 2022 (A)*	March 31, 2023 (A)*	March 31, 2024 (A)*
Total operating income	1.17	0.00	0.00	0.00
PBILDT	-1.88	-0.41	-0.01	-0.54
PAT	-1.78	-0.41	-0.01	11.28
Overall gearing (times)	NM	NM	NM	0.47
Interest coverage (times)	0.00	0.00	0.00	NM

A: Audited; *Abridged; NM: Not Meaningful; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: CRISIL continues to categorize rating assigned to the bank facilities of MITL under non-cooperation category vide PR dated September 30, 2024 on account of its inability to carry out a rating surveillance in the absence of the requisite information from the company.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated: Annexure 4

Lender details: Annexure 5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	9.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	5.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (26-Oct-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-21)
2	Fund-based - LT-Bank Overdraft	LT	9.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (26-Oct-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-21)
3	Non-fund-based - ST-BG/LC	ST	3.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (26-Oct-23)	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jul-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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